Tariff revision of TRAI

2622. SHRI PREM CHAND GUPTA : Will the Minister of COMMUNICATION be pleased to state :

(a) whether it is a fact that Government have reconstituted the Telecom Regulatory Authority of India just a few years after it was formed;

(b) the tariffs set by its original Committee are to be revised upwards; and

(c) if so, what are the reasons for this ?

THE MINISTER OF STATE IN THE MINISTRY OF COMMUNICATIONS (SHRI TAPAN SIKDAR) : (a) With a view to strenghthening the regulatory framework in the telecom sector, Government promulgated the Telecom Regulatory Authority of India (Amendment) Ordinance, 2000 on 24th January, 2000, which has since been replaced by an Act of Parliament. Under the amendments brought about, Telecom Regulatory Authority of India (TRAI) has also been reconstituted and shall now consist of a Chairperson and not more than two whole-time Members and not more than two part-time Members to be appointed by the Central Government.

(b) and (c) Under section 11(2) of the TRAI Act, 1997, TRAI has been empowered to notify from time to time, the rates at which the telecomminication services within India and outside India shall be provided including the rates at which messages shall be transmitted to any country outside India. The Telecom Regulatory Authority of India has informed that the Telecommunication Tariff Order 1999 (TTO 99) of Telecom Regulatory Authority of India had envisaged rebalancing of tariffs, to be achieved in three phases. The order also provided for a review before the introduction of the second phase of rebalancing of tariffs, to be achieved in three phases. The order also provided for a review before the introduction of the second phasae of rebalancing. The first phase commenced w.e.f. 1st April, 1999 and was to be followed by the second phase w.e.f. 1st April, 2000. TRAI has further informed that pending further studies it has decided to defer the implementation of the second phase by four months.

Reconstitution of TRAI

2623. SHRI GHULAM NABI AZAD : Will the Minister of COMMUNICATIONS be pleased to state :

(a) whether Government have decided to reconstitute the Telecom Regulatory Authority of India (TRAI);

(b) if so, what will be its role;

(c) whether Government have also decided to set up a new dispute tribunal for arbitration; and

(d) if so, the details thereof ?

THE MINISTER OF STATE IN THE MINISTRY OF COMMUNICATIONS (SHRI TAPAN SIKDAR) : (a) and (b) With a view to strenghthening the regulatory framework in the telecom sector, Government promulgated the Telecom Regulatory Authority of India (Amendment) Ordinance 2000 on 24th January 2000, which has since been replaced by an Act of Parliament. As a result of amendments brought about in the TRAI Act 1997, TRAI has been reconstituted and shall now consist of a Chairperson and not more than two whole-time Members and not more than two part-time Members to be appointed by the Central Government. A clear distinction has now been made between the recommendatory/advisory functions of TRAI and the regulatory functions to be discharged by it. While entrusting certain additional functions to TRAI, i.e. fix the terms and conditions of inter-connectivity between service providers, to lay down the standards of quality of service to be provided by the service providers and ensure the quality of service, to make recommendations on technological improvements in the services provided by the service providers, and to make recommendations on efficient management of available spectrum, it has also been made mandatory for the Government to seek recommendations of TRAI in respect of need and timing for introduction of new service providers and the terms and conditions of licence to a service provider.

(c) and (d) As it was conceptually in-appropriate that the recommending authority and the adjudicatory authority be the same, it was also felt necessary to restructure and strenghthen the dispute settlement mechanism. Accordingly, Chapter IV of the TRAI Act 1997, under which TRAI had got limited adjudicatory powers, has been replaced, to provide for the establishment of a separate disputes redressal body, known as the "Telecom Disputes Settlement and Appellate Tribunal", to adjudicate any dispute between a licensor and a licensee, between two or more service providers, between a service provider and a group of consumers, and to hear and dispose of appeals against any direction, decision or order of TRAI. Appeals against the orders of the said Tribunal shall lie to the Supreme Court, as specified in the relevant provisions of the amended TRAI Act.

2082 RSS/2000—4